

Consumers Glass Company Limited

Revised December 17, 1985 (IC)
 Destroy all previous Basic and White
 cards on this Company

CUSIP Number 210561
 Stock Symbol CGC

Head Office — 401 The West Mall, Suite 900, Etobicoke, Ont. M9C 5J7

Telephone — (416) 232-3283

THE COMPANY, directly and through a subsidiary, is engaged in the manufacture and sale of glass and plastic packaging containers, and plastic closures and filling equipment, for the food, beverage, dairy, pharmaceutical, household products, automotive, toiletries and cosmetics industries primarily in Canada.

COMPARATIVE DATA									
Fiscal Year	Total Assets	Net Fixed Assets	Shldrs.' Equity	Net Sales	Net Inc. Oper.	Earns. Per Sh.	Divds. Paid	Price Range High	Price Range Low
			000's						
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1984....	210,904	120,377	114,012	322,975	21,111	1.64	0.75	14.75	11.00
1983....	189,141	113,410	102,710	278,289	13,191	1.20	0.60	14.50	8.00
1982....	184,174	112,418	62,418	242,413	6,768	0.66	0.50	8.50	6.50
1981....	200,806	113,433	53,571	231,688	5,495	0.54	0.50	10.00	7.19
1980....	181,008	107,762	53,756	194,986	7,026	0.69	0.50	10.50	8.13

▲Adjusted throughout to reflect 2-for-1 stock splits in May, 1979 and August, 1983.

CONSOLIDATED CAPITALIZATION AS AT DECEMBER 31, 1984			
	Outstanding		%
Long-term debt		\$11,200,000	9
Preferred stock	70,000 shs.	1,378,000	1
Common stock	12,759,504 shs.	50,883,000	41
Retained earnings		60,520,000	48
Cumulative translation gain		1,231,000	1

SUMMARY STATEMENT

For the nine months ended Sept. 30, 1985, net income was \$13,910,000 or \$1.08 per share compared with a restated \$15,701,000 or \$1.22 before and \$14,673,000 or \$1.14 per share after an extraordinary loss on sale of a plastic container operation. There were no extraordinary items in 1985. Sales were up 9% to a record \$268,512,000. (See Interim Report).

Increased dividend of 22.5 cents per share was paid Nov. 29, 1985. Previously, a rate of 80 cents per share was paid quarterly Nov. 30, 1984 to Aug. 30, 1985.

Sales for the year ended Dec. 31, 1984, were up 16% to \$322,975,000 compared with \$278,289,000 in 1983. Sales of both glass containers and plastics packaging were significantly higher for the year with glass containers contributing \$240 million and plastics packaging \$83 million.

Net income, operations for 1984 rose 60% to \$21,111,000 or \$1.64 per share from \$13,191,000 or \$1.20 per share in 1983. Net income, after extraordinary items totaled \$20,083,000 or \$1.56 per share in 1984 and \$14,797,000 or \$1.35 per share in 1983.

Acquisition of a Mississauga, Ont. company, now named Consumers IMCO Inc., was completed by the company in October, 1984. In February, 1985, the company acquired Bradley-Fenn Enterprises Inc., which operates under the trade-name Plax and has plants in Burlington and Brampton, Ont. Also, the PET plastic soft-drink container plant in Coquitlam, B.C. was sold during 1984.

N.B. — For quick reference data, see page 2.

THE FINANCIAL POST CORPORATION SERVICE

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QUICK REFERENCE DATA

Major Shareholders—Brockway Glass Company, Inc. of the U.S. beneficially held 15.2% and The Enfield Corporation beneficially held 13.4% of the outstanding common shares at Dec. 31, 1984.

Employees—The company had approximately 4,200 employees in July, 1985.

Incorporation—Dominion charter, October 4, 1917; continuance July 21, 1978.

Auditors—Touche Ross & Co., C.A., Toronto.

Fiscal Year Ends—December 31.

Annual Report Appeared—In March in 1985.

Annual Meeting Date—April 17 in 1985.

Banker—Bank of Montreal, Montreal and Toronto.

Listed—CGC, Toronto and Montreal Stock Exchanges.

Shareholders—In September, 1985, the company had 753 shareholders.

Transfer Agent—The Royal Trust Company, Montreal, Calgary and Toronto.

Rank in FP 500—222 by sales; 239 by assets.

COMPANY

The company and its subsidiaries are engaged in the manufacture and sale of glass and plastics packaging containers, and plastic closures and filling equipment, for the food, dairy, beverage, pharmaceutical and cosmetics industries in Canada. The company also owns and operates a plastics packaging subsidiary which has two plants in the United States.

NET SALES

Net sales by product types have been as follows for the past two years:

	1984		1983	
	\$000's	%	\$000's	%
Glass containers	239,767	74	209,911	75
Plastics packaging	83,208	26	68,378	25
	322,975	100	278,289	100

Net sales of the company by geographic segment for the past two years have been as follows:

	1984		1983	
	\$000's	%	\$000's	%
Canada	270,863	84	235,121	84
United States	52,112	16	43,168	16
	322,975	100	278,289	100

OPERATING INCOME

Operating income (before corporate expenses and income taxes) by product types in the past two years has been as follows:

	1984		1983	
	\$000's	%	\$000's	%
Glass containers	36,370	82	28,708	77
Plastics packaging	8,277	18	8,347	23
	44,647	100	37,055	100

Operating profit by geographic segment for the past two years has been as follows:

	1984		1983	
	\$000's	%	\$000's	%
Canada	38,524	86	30,232	82
United States	6,123	14	6,823	18
	44,647	100	37,055	100

OPERATIONS

The company manufactures and sells glass containers used by the food, beverage, pharmaceutical and cosmetics industries. Product lines consist of bottles and jars in flint (clear), amber, and green glass. Technical assistance agreements are held with Brockway Glass Company, Inc., the second largest glass container manufacturer in the United States and Glass Containers Ltd. of Sydney, Australia.

The company also supplies high quality thermoformed plastic packaging products and systems to the fast-food and dairy industries, including the manufacture of containers, creamers, trays, cups, lids and filling equipment by extrusion and thermo-forming operations. Under license from Hamba Maschinenfabrik of West Germany, it markets a line of food and dairy product filling equipment. Toyo Seikan Kaisha of Japan licensed the company in 1984 to manufacture plastic containers for a wide range of products such as ketchup, mayonnaise, edible oils and household products. The company also manufactures an extensive range of plastic injection-moulded closures used by the food, beverage, pharmaceutical, chemical and cosmetic industries.

In 1984, the company acquired a Mississauga, Ont. company called Consumers IMCO Inc. and in February, 1985, two plants in Burlington and Brampton, Ont. operating under the trade name Plax.

PROPERTIES

Plants and sales offices of the company and its subsidiaries are operated as follows:

Glass container plants are located in Ville St. Pierre and Candiac, Que., Toronto and Milton, Ont., and Lavington, B.C.

Plastics thermoforming plants, operating under the trade name "Portion Packaging," are located in Rexdale, Ont., Chicago, Ill., and Bristol, Pa. An injection-molding plant for the manufacture of closures is located in Waterloo, Que. Plax plants are located in Brampton and Burlington, Ont. Consumers IMCO Inc. has a plant in Mississauga, Ont.

Sales offices are located in Waterloo, Ville St. Pierre, and Candiac, Que.; Toronto and Rexdale, Ont.; Lavington and Burnaby, B.C.; Calgary, Alta.; Winnipeg, Man.; Moncton, N.B.; Halifax, N.S.; St. John's, Nfld.; Trevoise, Pa.; Chicago, Ill.; and London, England.

Distribution centres are located in Milton, Ont. (260,000 sq. ft. on 90 acres) and Burnaby, B.C.

CAPITAL EXPENDITURES

Modernization and expansion of production facilities in recent fiscal years have required expenditures as follows:

1975	\$7,189,000	1980	\$28,325,000
1976	8,693,000	1981	18,115,000
1977	8,012,000	1982	13,802,000
1978	12,954,000	1983	13,645,000
1979	30,146,000	1984	19,396,000

FURNACE REBUILD & START-UP COSTS

The costs to the company of rebuilding furnaces have been as follows in recent years:

1975	\$2,424,000	1980	\$3,700,000
1976	1,719,000	1981	2,999,000
1977	1,992,000	1982	1,463,000
1978	1,235,000	1983	3,369,000
1979	3,224,000	1984	1,173,000

HISTORY

The company was incorporated Oct. 4, 1917 with Dominion charter (Articles of Continuance, dated July 21, 1978) and acquired the property and plant of the Premier Glass Company Limited. Canada Cement Company Limited originally owned controlling interest; in 1928 Canada Cement sold its interest to F. P. Jones and associates.

In October, 1966, the company through its wholly-owned subsidiary, Conglass Holdings Ltd. acquired all the outstanding shares of Brentwood Containers Limited, a Toronto-based producer of plastic cups and lids, for a maximum purchase price of \$961,500. Payment of \$711,500 was made in 1966, consisting of \$461,500

cash and \$250,000 in 6% debentures, due Sept. 30, 1976. In 1967, an additional payment of \$90,000 was made by issue of income debentures, due Sept. 30, 1977. In 1968, the income debentures were retired and an additional payment of \$90,000 was made. The final payment of \$70,000 was made in 1969.

In April, 1967, the company acquired the fixed assets and working capital of the Iroquois Glass division (with plant at Candiach, Quebec) from Sogemines Ltd. (now Genstar Limited). The fixed assets price of \$9,926,000 was satisfied by a cash payment and the issue of \$4,926,000 of series A, serial debentures. A deposit of \$1,250,000 was made against the working capital by the issue of \$1,250,000 of series B debentures, while the final amount was subject to certain adjustments on realization of inventories and receivables over an 18-month period from the date of purchase. To Dec. 31, 1968, further payments of \$897,000 were made by the issue of additional series B debentures in final settlement of the purchase price.

In 1969, the company acquired the assets of the closure division of Armstrong Cork Canada Ltd. for a purchase price of \$2,398,000 and a 38% interest in Glass Containers Ltd., an Australian based company, for \$2,891,000 (Cdn.).

In January, 1970, the assets of Regent Containers Limited were acquired for 31,646 common shares.

Agreements were completed in February, 1970, to acquire the shares of Westek Plastics Limited and Portion Containers Inc. for an initial issue of 21,231 common shares plus further 22,000 shares determined by the earnings of the two companies in 1971 and 1972. The latter shares were issued in 1973.

Regent Containers Limited, Westek Plastics Limited and Portion Containers Inc. were integrated during 1970 into Portion Packaging Limited in Toronto and Portion Packaging Inc. in Chicago.

In June, 1970, General Impact Extrusions Ltd. with its subsidiaries, General Impact Extrusions (Manufacturing) Ltd. of Etobicoke, Ont., and GIE Corporation of Buffalo, N.Y., were acquired for 239,866 common shares plus \$2,823,000 in cash. The companies formed the metals division of the company. As a result of this purchase, the company also acquired a 50% interest in Xyno Plastics Ltd.

On Jan. 3, 1973, the directors approved a plan to phase out the active operations of General Impact Extrusions (Manufacturing) Ltd. Subsequently in 1973 the company contracted to sell the packaging division of this subsidiary to Sterling Packaging Products Ltd.

During 1974, the exclusive right to distribute a line of dairy product filling equipment in the United States was obtained from Hamba Maschinenfabrik of West Germany, complementing the existing right to distribute this equipment in Canada.

Effective Nov. 30, 1975, the company acquired the remaining outstanding 50% interest in Xyno Plastics Ltd. and its subsidiaries, Xyno-Matic Limited and Plastomer Limited.

On Dec. 16, 1977 Conglass Holdings Limited was wound up into the parent company. On Dec. 30, 1977, Plastomer Limited was wound up.

On May 4, 1978, Portion Packaging was wound up into General Impact Extrusions (Manufacturing) Limited and on May 17, 1978 the name of General Impact Extrusions (Manufacturing) Limited was changed to Portion Packaging Limited. On Dec. 29, 1978, General Impact Extrusions Limited, Xyno Plastics Limited and Xyno-Matic Limited were amalgamated with Portion Packaging Limited and the amalgamated company has continued under the name of Portion Packaging Limited. Xyno-Matic Limited was dissolved at the same time.

In fiscal 1979, the company increased its equity interest in Glass Containers Limited to 45% from 42% through the purchase of shares on the open market.

On Dec. 28, 1979, Portion Packaging Ltd. was wound up into Consumers Glass Company Limited.

During 1982, the company sold its 45% interest in Glass Containers Limited of Sydney, Australia, to SCI Enterprises (Pty.) Ltd. for net cash proceeds of

\$20,200,000. Also during the year, Consumers Glass Company International Limited was incorporated.

On Oct. 10, 1984, the company acquired from Brockway, Inc. (NY) all of the outstanding shares of Brockway IMCO Canada Inc., for \$7,098,000. That company's name was subsequently changed to Consumers IMCO Inc.

In February, 1985, the company acquired Bradley-Fenn Enterprises Inc., which operates two plastic container plants under the trade-name, Plax.

OFFICERS AND DIRECTORS

Officers—F. S. Capon, chm.; V. N. Stock, v-chm.; R. D. Morison, pres. & chief exec. officer; T. A. Timmuth, exec. v-p & chief oper. officer; J. C. Barritt, exec. v-p, fin. & admin.; W. S. Campbell, exec. v-p, corp. mktg. & develop.; S. W. Hannaford, v-p; F. M. Pope, v-p and dir. sales & mktg., container & closure products; G. J. Kavanagh, v-p & gen. mgr., container & closure prods.; H. G. Fricke, v-p & gen. mgr., portion packaging products; David Jack, sec.-treas.; K. A. Grant, cont.

Directors—F. S. Capon, Chester, N.S.; C. F. G. Heward, Jacques Tétrault, Montreal, Que.; V. N. Stock, C. D. Reekie, B. J. Hutzler, R. D. Morison, T. A. Timmuth, Toronto; J. A. Winfield, J. J. McMackin, Brockway, Pa.

WHOLLY-OWNED SUBSIDIARIES

Portion Packaging, Inc.—Trevose, Pennsylvania. Conducts U.S. thermoforming operations of the company under the trade name, "Portion Packaging."

Consumers Glass Company International Limited—Bridgetown, Barbados.

Consumers IMCO Inc.—Mississauga, Ont.

Bradley-Fenn Enterprises Inc.—Burlington, Ont.

CAPITAL STOCK

(As at Dec. 31, 1984)

	Author.	Outstand.
Preferred	Unlimited	70,000 shs.
Common	Unlimited	12,759,504 shs.

Preferred—Issuable in series.

Convertible, Redeemable Preferred, Series A—Entitled to dividends equivalent to those payable on common shares.

Convertible into common stock on a 2-for-1 basis (adjusted for stock split on Aug. 5, 1983), commencing one year from issue.

Redeemable under certain circumstances during the period ending ten years after their issue; company required after 10 years to redeem any shares outstanding at a redemption price equal to their initial purchase price together with any unpaid dividends declared thereon.

Issued—70,000 shares issued in 1983 to senior officers under the Employee Share Purchase Plan.

Common—One vote per share.

Under an agreement with Brockway Glass Company, Inc., dated Sept. 1, 1961, Brockway has the right to maintain a minimum 15.2% interest in the common shares of the company. To Dec. 31, 1984, Brockway had acquired 557,004 shares pursuant to this right.

Employee Share Purchase Plan—On Apr. 6, 1983, shareholders approved the creation of an employee's share purchase plan. Details are as follows:

Under the plan, the company will advance interest-free loans to senior executives for the purchase of preferred shares of the company. The shares will be held as collateral, and the loans will be repayable as follows: annually, to the extent of any positive cash flow from the after-tax dividends; on sale of shares, to the extent of the issue price times shares sold; and ten years from the date of grant or upon earlier termination of employment. The price per share will be the average of the closing price of the company's common shares on the TSE for each day on which there was a closing price and which falls no more than 10 business days before the date on which the purchase right is granted.

PRICE RANGE OF STOCK Common

Year	High	Low	Year	High	Low
1975	\$14.75	\$10.75	1980	\$21.00	\$16.25
1976	15.25	11.50	1981	20.00	14.38
1977	14.25	12.50	1982	17.00	13.00
1978	25.00	12.50	1983*	14.50	8.00
1979*	18.00	12.25	1984	14.75	11.00

*Following a 2-for-1 split on May 29, 1979 and August 5, 1983.

CAPITAL STOCK CHANGES

The company was incorporated in 1917 with an authorized capital stock consisting of 10,000 shares of \$100 par stock, of which 5,000 shares were subsequently converted by S.L.P. into 5,000 7% preferred shares. By S.L.P. dated July 28, 1928, the 5,000 \$100 par common shares were converted into 10,000 common shares of no par value, and authorized capital was increased from 5,000 \$100 par shares of 7% preferred and 10,000 no par value common shares, to 5,000 7% preferred shares of \$100 par and 40,000 no par common shares. By S.L.P. dated Dec. 2, 1935, the 5,000 preferred shares were converted into common shares on the basis of 1½ common shares for each preferred share, following which 31,957 common shares were outstanding. By S.L.P. dated Mar. 30, 1940, the 47,500 common shares were subdivided into 475,000 common shares of no par value, of which 319,570 shares were issued.

In 1961-62, 2,075 shares were issued under the company's stock option plan, increasing the total outstanding to 321,645 shares at Aug. 31, 1962.

In August, 1963, the common stock was split on a 4-for-1 basis. The split was effected by issuing additional stock to shareholders of record Aug. 30, 1963.

Common shares were issued under options as follows: 71,708 in fiscal 1973; 46,000 in fiscal 1964; 114,381 in fiscal 1965; 32,735 in the four-month period ended Dec. 31, 1965; 97,153 in 1966; and 24,574 in 1967, bringing capital stock outstanding at Dec. 31, 1967 to 1,673,131 common shares.

On Nov. 14, 1968, the company obtained S.L.P. increasing its authorized capital from 1,900,000 common shares to 3,000,000 common shares.

During 1968, 3,000 shares were issued under option agreements, and 40,318 shares under the November, 1968 rights offering.

On Nov. 15, 1968, rights to subscribe for additional common shares were issued to all shareholders, except Brockway Glass Co. Inc., at a price of \$15 per share on the basis of one common share for each five common shares held. The offering which closed on Jan. 10, 1969, resulted in the issuance of 267,716 common shares for cash.

During 1969 the company issued 465,360 shares, including 167,962 issued under option agreements.

In 1970, the company issued 31,646 common shares as payment for all of the assets of Regent Containers Limited, 21,231 shares for shares of Westek Plastics Limited, 239,866 shares for shares of General Impact Extrusion Ltd. and 13,269 shares for cash.

During 1973, 22,195 common shares were issued in final settlement of a purchase price and 5,548 common shares were issued under an agreement to Brockway Glass Co. Inc.

During 1977, 40,000 common shares were issued under the option agreement and 9,312 shares were issued to Brockway Glass Inc. under its contractual right, bringing the total number of shares outstanding at Dec. 31, 1977 to 2,564,876.

Through issuance of Certificate of Continuance dated July 21, 1978, the company was continued under the Canada Business Corporations Act. Thus the authorized common stock became unlimited in number.

On May 29, 1979, a Certificate of Amendment was issued confirming the 2-for-1 split of the issued com-

mon shares. Accordingly at Dec. 31, 1979, there were 5,129,752 common shares outstanding.

On Apr. 7, 1982, shareholders approved the creation of an unlimited number of authorized first preferred shares.

By certificate of amendment dated May 5, 1983, 74,500 preferred shares were designated as first preferred shares, series A.

Effective Aug. 5, 1983, the common shares were split on a 2-for-1 basis.

During 1983, the company issued 70,000 convertible redeemable preferred shares, series A for a consideration of \$1,378,000 and placed privately 2,500,000 common shares on Sept. 28.

Capital stock outstanding at Dec. 31, 1983 comprised 70,000 preferred shares and 12,759,504 common shares.

DIVIDENDS

Common—Payment of 22.5 cents per share was made Nov. 29, 1985. Previously a rate of 80 cents per share was paid regularly quarterly, Nov. 30, 1984 to Aug. 30, 1985.

Prior to the 10-for-1 stock split in March, 1940, dividends on the common stock were paid as follows: 40 cents per share in 1936 (including a small payment on preferred stock subsequently converted to common); 50 cents per share in 1937; 80 cents per share in 1938; \$1.00 per share in 1939; \$1.60 per share in 1940; and \$1.40 per share in 1941.

Following the 10-for-1 stock split effective Mar. 30, 1940 and, with the exception of one dividend of 60 cents per share on May 30, 1942, dividends were paid regularly, quarterly at the rate of \$2.00 per share per annum from Feb. 28, 1942 to Nov. 30, 1948, inclusive. Dividends of \$1.50 per share per annum were paid regularly quarterly from Feb. 28, 1949, to Aug. 31, 1960, inclusive. A rate of 80 cents per share per annum, was paid regularly quarterly from Nov. 30, 1960, to Aug. 31, 1963, inclusive.

Following the 4-for-1 split of the common shares in August, 1963, a dividend of 5 cents per share was paid on Nov. 30, 1963, establishing an annual rate of 20 cents per share which was paid to and including Aug. 31, 1965. Rate was increased to 28 cents per share per annum with the payment of 7 cents per share on Nov. 30, 1965 paid regularly quarterly to and including Aug. 31, 1968. An increased rate of 32 cents per share per annum was paid quarterly from Nov. 30, 1968 to Aug. 29, 1969, inclusive. Rate of 36 cents per share per annum was paid quarterly from Nov. 28, 1969 to Nov. 30, 1972, inclusive. An increased rate of 40 cents per share per annum was paid quarterly from Feb. 28, 1973 to May 31, 1974 inclusive. Payments of 15 cents per share were made on Aug. 31 and Nov. 29, 1974. Rate of 80 cents per share per annum, was paid quarterly from Feb. 28, 1975 to Aug. 25, 1978 inclusive and a rate of \$1.60 per share per annum was paid regularly quarterly from Nov. 28, 1978 to Mar. 2, 1979, inclusive. A dividend of 45 cents per share was paid on May 31, 1979, following which the common shares were split.

Following the 2-for-1 split of the common shares, effective May, 1979, a quarterly dividend of 22½ cents per share was paid on Aug. 31, 1979. An annual rate of \$1 per share was paid quarterly from Nov. 30, 1979 to May 27, 1983, inclusive, following which the common shares were split.

Following the 2-for-1 split on Aug. 4, 1983, a rate of 60 cents per share per annum was paid quarterly from Aug. 24, 1983 to Aug. 24, 1984, inclusive. A rate of 80 cents per share per annum was paid quarterly Nov. 30, 1984 to Aug. 30, 1985.

Extra dividends of 5 cents per share were paid on Aug. 31 in 1964 and 1965; 2 cents per share on Feb. 29, 1968; 10 cents per share on Nov. 29, 1974; 6.4 cents per share on Nov. 26, 1976; 11.6 cents per share on Nov. 30, 1977; five cents per share on Dec. 2, 1983 and 10 cents per share on Nov. 30, 1984.

LONG-TERM DEBT

Long-term debt outstanding on Dec. 31, 1984, totaled \$11,200,000 and included \$350,000 due in one year. Details as follows:

First Mortgage Sinking Fund Bonds:

Authorized, \$10,000,000; issued \$1,000,000 serial bonds and \$2,000,000 sinking fund bonds, series A; \$2,500,000 sinking fund bonds, series B (all since retired); and \$3,500,000 sinking fund bonds, series C.

7½% Series C:

Dated Sept. 30, 1966; due Sept. 30, 1986.

Outstanding at Dec. 31, 1984, \$1,200,000.

Offered—Sold privately by Wood Gundy Securities Ltd. in September, 1986.

Bank Term Loans:

Bank term loans totaling \$10,000,000 were outstanding at Dec. 31, 1984. The revolving loan carries an interest rate which varies with the prime rate charged by the company's bankers and is unsecured.

INTERIM REPORT

For the nine months ended Sept. 30, 1985, net income was \$13,910,000 or \$1.08 per share against a restated \$15,701,000 or \$1.22 before and \$14,673,000 or \$1.14 after extraordinary loss on sale of plastic container operation. Restated results reflect a change in accounting for investment tax credits for 1984. Sales were up 9% to a record \$268,512,000. Higher interest costs, income taxes and rebuilding of inventories contributed to the lower net income. Glass container sales were lower in the third quarter than for the record 1984 period. Plastic packaging operations continued at a record level.

Changes in Financial Position:

Funds provided for the six months ended June 30, 1985, totaled \$36,042,000 including \$31,415,000 from operations \$4,000,000 increase in long-term debt, \$113,000 issue of shares and \$514,000 from other sources.

Funds used amounted to \$41,748,000 comprised of \$10,384,000 for an acquisition, \$6,559,000 reduction to long-term debt, \$17,062,000 in capital expenditures and \$7,743,000 in dividends.

Working capital decreased by \$5,706,000 during the period.

INTERIM EARNINGS

Fiscal Year	Net Sales	Net Inc. Oper.	Earnings per Com. Sh.▲	Net Sales	Net Inc. Oper.	Earnings per Com. Sh.▲	Net Sales	Net Inc. Oper.	Earnings per Com. Sh.▲
	3 months	3 months		6 months	6 months		9 months	9 months	
	\$000's	\$—		\$000's	\$—		\$000's	\$—	
1978 ..	28,654	1,329	0.13	68,601	4,117	0.40	108,081	6,918	0.68
1979 ..	35,510	2,221	0.22	87,476	5,548	0.54	130,923	8,207	0.80
1980 ..	43,206	2,749	0.27	92,560	4,353	0.43	144,417	5,868	0.57
1981 ..	45,808	1,027	0.10	108,183	3,057	0.30	166,006	3,583	0.35
1982 ..	46,827	2,055	0.20	114,068	4,007	0.39	175,189	4,938	0.48
1983 ..	57,725	2,483	0.25	137,347	6,640	0.64	211,245	10,370	1.00
1984 ..	66,095	3,559	0.28	161,351	10,784	0.84	245,457	16,143	1.25
1985 ..	78,170	3,713	0.29	179,946	10,271	0.80	268,512	13,910	1.08

▲Adjusted throughout to reflect 2-for-1 stock splits, May 29, 1979 and Aug. 5, 1983.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Years Ended December 31

	Years Ended December 31						
	1984	1983	1982	1981	1980	1979	1978
	\$000's						
Source of Funds:							
Net income, operations	21,111	13,191	6,768	5,495	7,026	10,401	8,903
Depreciation & amortization	16,579	16,402	15,664	14,103	12,062	9,907	8,967
Deferred income tax	6,093	5,345	2,033	490	2,007	3,146	931
Income from affiliates .....	.....	.....	▲1,549	▲1,984	▲1,457	▲1,805	▲1,458
Deferred income	▲210	▲210	▲210	▲210	▲209	▲210	.....
Dividends from affiliate .....	.....	.....	387	751	640	601	432
Decrease fixed assets .....	.....	.....	616	777	.....	.....	3,129
Stock issue .....	.....	31,863	.....	.....	.....	.....	.....
Long-term debt issue .....	.....	.....	.....	8,348	16,473	18,053	1,829
Extraordinary item .....	.....	.....	20,207	.....	.....	.....	115
Translation gain	422	75	.....	.....	.....	.....	.....
Miscellaneous .....	.....	.....	.....	395	.....	.....	.....
	43,995	66,666	43,916	28,165	36,542	40,093	22,848
Application of Funds:							
Capital expenditures	19,396	13,645	13,802	18,115	28,325	30,146	12,954
Business acquisitions	7,098	.....	.....	.....	.....	.....	.....
Long-term debt due	350	34,398	23,471	.....	.....	.....	.....
Dividends	9,675	6,705	5,130	5,130	5,130	4,617	2,565
Furnace rebuild. cost, etc.	1,173	3,369	1,463	2,999	3,700	3,224	1,235
Other receivables	▲79	1,342	.....	.....	.....	.....	.....
Extraordinary item .....	.....	.....	.....	146	.....	.....	.....
Investment affil. ....	.....	.....	.....	.....	.....	750	.....
	37,613	59,459	43,866	26,390	37,155	38,737	16,754
Increase working capital	6,382	7,207	50	1,775	▼613	1,356	6,094
▲Subtract. ▼Decrease.							

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

Years ended December 31

	1984	1983	1982	1981	1980	1979	1978
	\$000's						
Net sales	322,975	278,289	242,413	231,688	194,986	178,051	149,463
Less: Cost of goods, etc.	268,897	234,347	205,461	196,032	167,393	151,050	124,938
Net before deprec., etc.	54,078	43,942	36,952	35,656	27,593	27,001	24,525
Less: Depreciation	14,093	13,742	13,027	11,466	9,954	8,300	7,530
Amort. furnace rebuild.	2,486	2,660	2,637	2,637	2,108	1,607	1,437
Long-term debt interest	1,353	3,924	9,449	12,834	6,806	3,909	2,768
Short-term debt interest	788	1,496	3,991	4,524	2,028	1,625	1,023
Income tax: Current	8,154	3,584	596	194	●879	●182	3,412
Deferred	6,093	5,345	2,033	490	2,007	3,146	931
Add: Equity income			1,549	1,984	1,457	1,805	1,479
Net income, operations	21,111	13,191	6,768	5,495	7,026	10,401	8,903
Add: Extraordinary items▲	d1,028	1,606	7,209	d550			1,862
Net income	20,083	14,797	13,977	4,945	7,026	10,401	10,765
Add: Previous ret. earns.	50,112	42,785	33,938	34,123	32,227	26,443	18,243
Less: Dividends	9,675	6,705	5,130	5,130	5,130	4,617	2,565
Cost of sh. issue, net		765					
Retained earnings	60,520	50,112	42,785	33,938	34,123	32,227	26,443

▲In 1984, reflects net loss on sale of plant; in 1983, an adjustment to the estimated income taxes provided in 1982 on the gain on sale of the company's interest in Glass Containers Limited; in 1982, net profit from sale of investment in Glass Containers Limited; in 1981, reflects an after-tax write-down in the net carrying value of certain assets and a write-off of goodwill; in 1978, reflects income tax benefits resulting from the reorganization of certain subsidiaries.

●Credit.

Remuneration—Of officers and directors in recent years has been as follows: \$2,032,850 in 1984; \$2,040,579 in 1983; not stated in 1982; \$1,115,000 in 1981; \$1,269,000 in 1980; \$1,305,000 in 1979; and \$1,268,000 in 1978.

Note—An investment tax credit of \$1,569,000 was recognized in income in 1979. Of this amount, \$579,000 was claimed in 1979 reducing current income taxes payable. The balance is included in deferred income taxes reducing future taxes payable. Investment tax credits of \$840,000 in 1982; \$892,000 in 1981; \$1,453,000 in 1980; and \$1,569,000 in 1979 were used to reduce the provisions for income taxes.

Effective Dec. 31, 1984, the company changed its method of accounting for investment tax credits. As a result investment tax credits are deferred and recognized in income as related assets are depreciated.

Times All Interest Earned:

Before deprec. & amort.	25.26	8.11	2.75	2.05	3.12	4.88	6.47
After deprec. & amort.	17.51	5.08	1.58	1.24	1.76	3.09	4.10

Earnings Per Share■:

Common: Earned‡	\$1.64	\$1.20	\$0.66	\$0.54	\$0.69	\$1.02	\$0.87
Earned▲	1.56	1.35	1.36	0.48	0.69	1.02	1.05

■ As stated by company, based on weighted average number of shares outstanding; in 1984 and 1983, includes convertible preferred shares which are treated as common share equivalents; adjusted throughout to reflect 2-for-1 stock splits, May 29, 1979 and Aug. 5, 1983; in 1983.

‡Before (after) extraordinary item.

Dividends Paid

Common□	■ \$0.75	■ \$0.20					
Common*		0.80	\$1.00	\$1.00	\$1.00	\$0.475	
Common						0.85	\$1.00

□ Following 2-for-1 split Aug. 5, 1983.

*Following 2-for-1 split, May 29, 1979.

■ Including extra dividends of 10 cents per share in 1984 and five cents in 1983.

Note—The convertible preferred shares, series A, share on an equivalent basis with the common shares but are not individually recorded as they are privately held.

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31

	1984	1983	1982	1981	1980	1979	1978
	(\$000's)						
Assets							
Current:							
Accounts receivable	30,553	25,763	24,859	33,668	23,902	21,925	19,196
Inventories [▲]	50,274	45,296	43,160	39,265	36,051	31,329	24,492
Prepaid expenses & other	3,052	1,293	1,700	1,933	1,208	1,125	1,330
Income taxes recoverable	83,879	72,352	69,719	75,063	61,795	55,948	45,018
Other receivables	1,263	1,342	.....	.....	.....	.....	.....
Invest. in Glass Containers Ltd.	.....	.....	.....	10,273	9,040	8,223	6,269
Fixed assets:							
Land, bldgs. & machinery	223,523	220,663	206,953	196,828	180,163	152,136	122,423
Less: Accum. deprec.	111,088	116,501	103,104	93,138	81,782	72,126	64,259
	112,435	104,132	103,849	103,690	98,381	80,010	58,164
Unamort. furnace rebuild & start up costs	7,942	9,278	8,569	9,743	9,381	7,779	6,151
	120,377	113,410	112,418	113,433	107,762	87,789	64,315
Goodwill	5,385	2,037	2,037	2,037	2,411	2,421	2,432
	210,904	189,141	184,174	200,806	181,008	154,381	118,034
Liabilities							
Current:							
Bank indebtedness	6,512	10,916	17,403	23,460	16,732	10,845	5,675
Accts. pay. & accr. liabs.	37,057	32,031	31,046	30,411	26,194	25,471	18,241
Income taxes payable	5,781	1,358	430	.....	.....	.....	2,700
Curr. portion l.t. debt	350	250	250	652	104	254	380
	49,700	44,555	49,129	54,523	43,030	36,570	26,996
Long-term debt:							
Secured bank loan	10,000	10,000	44,097	67,318	58,318	41,585	23,272
5½% 1st mtge. bds., ser. B	.....	.....	.....	.....	.....	.....	.....
7¼% 1st mtge. bds., ser. C	1,200	1,450	1,700	1,950	2,044	2,444	2,594
Other long-term debt	.....	.....	.....	402	412	422	658
Less: Current portion	350	250	250	652	104	254	380
	10,850	11,200	45,547	69,018	60,670	44,197	26,144
Deferred income taxes	36,342	30,029	26,224	22,628	22,276	20,269	17,123
Deferred income	.....	647	856	1,066	1,276	1,485	1,695
Shareholders' Equity:							
Capital stock:							
Preferred stock	1,378	1,378	.....	.....	.....	.....	.....
Common stock	50,883	50,883	19,633	19,633	19,633	19,633	19,633
Retained earnings	60,520	50,112	42,785	33,938	34,123	32,227	26,443
Cumulative transl. gain	1,231	337	.....	.....	.....	.....	.....
	210,904	189,141	184,174	200,806	181,008	154,381	118,034

▲Valued at the lower of cost and net realizable value with cost determined on a first-in, first-out basis.

Commitments—The company is obligated to aggregate annual rentals of about \$2,500,000 under long-term lease agreements ranging from two to eight years.

Working Capital (\$000's):

Current assets	83,879	72,352	69,719	75,063	61,795	55,948	45,018
Current liabilities	49,700	44,555	49,129	54,523	43,030	36,570	26,996
Working capital	34,179	27,797	20,590	20,540	18,765	19,378	18,022
Ratio	1.69—1	1.62—1	1.42—1	1.38—1	1.44—1	1.53—1	1.67—1

Equities:

Net worth* (\$000's)	114,012	102,710	62,418	53,571	53,756	51,860	46,076
Bonds, per \$1,000	\$96,010	\$71,841	\$37,716	\$28,472	\$27,299	\$22,219	\$18,763
Common	8.84	7.96	6.08	5.22	5.24	5.06	4.49

*Available for the common stock; based on shareholders' equity; in 1984 and 1983, includes convertible preferred shares, series A, which are treated as common share equivalents. Bonds are taken in at par for calculation of their equity.

▲Adjusted throughout to reflect the 2-for-1 stock splits, May 29, 1979 and Aug. 5, 1983.

Shares Outstanding:

Pref., ser. A	70,000	70,000	.....	.....	.....	.....	.....
Common	12,759,504	12,759,504	5,129,752	5,129,752	5,129,752	5,129,752	2,564,876

*Following the 2-for-1 split, May 29, 1979.

■ Following 2-for-1 stock split Aug. 5, 1983.

HISTORICAL SUMMARY

(As originally stated in company's annual reports for the respective years)

(As originally stated in company's annual reports for the respective years)								
Fiscal Year	Total Assets	Working Capital	L.-Term Debt	Shldrs.' Equity	Net Sales	Net Inc. Oper.	Earns. per Com. Sh.	Price Range
				\$000's			\$	High Low
1940 ..	4,891	1,670	.....	2,463		592	1.85	.....
1941 ..	5,372	1,978	.....	2,652		673	2.10	.....
1942 ..	5,420	2,196	.....	2,875		858	2.68	.....
1943 ..	5,624	2,228	.....	2,904		657	2.06	▲29.00 ▲27.00
1944 ..	5,768	2,288	.....	3,025		680	2.13	33.00 27.75
1945 ..	5,803	2,260	.....	3,022		635	1.99	42.00 33.00
1946 ..	5,828	2,368	.....	3,136		750	2.35	50.00 39.00
1947 ..	6,009	2,158	.....	3,148		650	2.03	43.50 37.50
1948 ..	6,158	1,879	.....	3,130		642	2.01	38.50 29.00
1949 ..	6,171	1,901	.....	3,059		446	1.40	30.00 20.00
1950 ..	6,623	2,196	.....	3,306		725	2.27	29.50 22.00
1951 ..	6,952	2,307	.....	3,453		626	1.96	30.75 21.00
1952 ..	7,309	2,468	.....	3,587		612	1.91	23.00 20.00
1953 ..	7,681	2,564	.....	3,767		658	2.06	25.25 21.75
1954 ..	11,153	3,096	3,000	3,865		623	1.95	30.00 24.63
1955 ..	11,574	2,904	3,000	4,063		669	2.09	31.50 26.50
1956 ..	12,554	3,257	3,000	4,525		926	2.90	33.50 25.00
1957 ..	13,069	3,280	3,000	4,711		666	2.08	31.00 23.00
1958 ..	16,690	4,103	5,500	5,015		852	2.67	33.50 23.00
1959 ..	16,829	4,224	5,300	5,287		753	2.36	35.38 26.00
1960 ..	16,885	3,458	5,050	4,979		181	0.57	29.00 19.00
1961 ..	19,293	1,876	4,800	4,765		42	0.13	28.00 19.38
1962 ..	14,940	2,143	5,550	4,540		649	2.02	39.00 27.00
1963 ..	15,721	2,238	5,000	5,391		747	■ 0.55 ■ 13.50 ■ 9.75	
1964 ..	16,556	2,576	4,650	6,077		701	0.50	13.25 9.75
1965 ..	17,841	3,001	4,300	7,156	18,262	806	0.53	12.75 9.38
1965● ..	17,357	2,983	4,250	7,523	6,732	277	0.18	12.75 9.38
1966 ..	21,984	5,185	7,316	8,865	21,570	1,266	0.77	13.25 10.75
1967 ..	39,038	4,567	13,174	9,916	29,778	1,303	0.78	15.75 12.00
1968 ..	44,338	2,224	18,848	11,814	36,739	1,775	1.03	21.50 12.00
1969 ..	63,629	2,506	24,113	21,335	44,358	2,762	1.27	29.00 20.00
1970 ..	85,380	3,467	29,689	28,933	62,275	1,122	0.48	30.50 13.00
1971 ..	82,786	5,439	30,912	30,293	73,826	2,256	0.91	15.50 10.50
1972 ..	81,629	804	35,551	22,367	79,380	2,494	1.00	18.50 12.75
1973 ..	88,408	4,128	35,277	23,649	74,468	920	0.37	16.50 6.63
1974 ..	93,641	4,941	29,916	28,756	94,236	6,617	2.63	11.50 7.63
1975 ..	97,849	5,218	26,931	32,753	100,408	6,010	2.39	14.75 10.75
1976 ..	101,385	12,310	25,226	35,868	120,349	5,288	2.10	15.25 11.50
1977 ..	102,534	11,928	24,925	37,876	119,773	3,876	1.54	14.25 12.50
1978 ..	118,034	18,022	26,524	46,076	149,463	8,903	3.47	25.00 12.50
1979 ..	154,381	19,378	44,451	51,860	178,051	10,401	■ 2.03 ■ 18.00 ■ 12.25	
1980 ..	181,008	18,765	60,774	53,756	194,986	7,026	1.37	21.00 16.25
1981 ..	200,806	20,540	69,670	53,571	231,688	5,495	1.07	20.00 14.38
1982 ..	184,174	20,590	45,797	62,418	242,413	6,768	1.32	17.00 13.00
1983 ..	189,141	27,797	11,450	102,710	278,289	13,191	■ 1.20 ■ 14.50 ■ 8.00	
1984 ..	210,904	34,179	11,200	114,012	322,975	21,111	1.64	14.75 11.00

■ Following 4-for-1 stock split, in August, 1963 and 2-for-1 splits in May, 1979 and August, 1983.

● Four-month period due to change in fiscal year end from Aug. 31 to Dec. 31 in 1965.

▲ Listed Mar. 9.

For analysts interested in an intensive study of this and certain other companies, our Databank derives and publishes a wide range of operating ratios, growth rates, etc. For details, contact The Financial Post Investment Databank, Box 100, Terminal A, Toronto M5W 1A7, (416) 596-5692

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